

811 KAR 1:040. Stakes and futurities.

RELATES TO: KRS 230.215, 230.260(1)

STATUTORY AUTHORITY: KRS 230.215(2), 230.260(3)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and 230.260(3) authorize the Authority to promulgate administrative regulations prescribing the conditions under which horse racing shall be conducted in Kentucky. This administrative regulation establishes requirements for stakes and futurities.

Section 1. (1) A stake or futurity sponsor or presenter shall submit an annual application, 120 days prior to taking payments, to the Authority for approval. The application shall contain:

- (a) Satisfactory evidence that purse money is available;
- (b) Proposed conditions;
- (c) Sums to be deducted for organization or promotion; and

(d) An agreement to file with the Authority a surety bond in the amount of the fund, conditioned on faithful performance of the conditions, including a guarantee that the stake or futurity will be raced as advertised unless unanimous consent is obtained from owners of eligibles to transfer or change the date of the race, or unless prevented by a natural disaster or conditions beyond the control of the sponsor. The agreement shall also include a guarantee ensuring the segregation of funds and an assurance that the sponsor or presenter shall make all payments. If the association furnishes the Authority evidence of the availability of funds to conduct the race satisfactory to the Authority, that evidence may be accepted in lieu of surety bond.

(2) Waiver of bond. The requirement to post a surety bond shall be waived by the Authority:

(a) Upon written request of a sponsor who is an association and whose financial statement shows a net worth of five (5) times the amount of trust funds received from payments in stakes and futurities. If the sponsor meets this condition, the sponsor shall furnish a certified copy of the bank deposit in lieu of bond; or

(b) If bond is posted with the United States Trotting Association.

(3) Trust funds. Collections resulting from the forfeiture of a bond shall be paid to the contestants according to the order of finish, or if the race is not contested, shall be divided equally among owners or eligibles on the date the breach of conditions occurs.

(4) Appeal of application rejection. An applicant may appeal the rejection of an application to the Authority shall within twenty (20) days after the mailing of the notice of rejection by registered mail.

(5) Receipt of printed conditions. The Authority must receive printed conditions of all stakes and futurities by their closing dates.

(6) Conflicting conditions. Stakes and futurities conditions which conflict with KRS Chapter 230 or 811 KAR Chapter 1 shall be refused.

(7) A sponsor or presenter shall:

(a) Provide or make available to the Authority a list of nominations within sixty (60) days after the date of closing.

(b) Furnish to the Authority, by January 15th of each year, a financial statement for the preceding year, and, within thirty (30) days following the day of the race, submit a final financial statement;

(c) Notify all nominators and the Authority within twenty (20) days of closing if the stake or futurity does not fill;

(d) Provide or make available to the Authority, within twenty (20) days of closing, a complete list of all horses remaining eligible, segregated by age, sex, and gait. The sponsor or present shall further provide or make available, within twenty (20) days following the last payment before the

starting fee, a complete list of all horses remaining eligible, segregated by age, sex, and gait, to the owners or agents of all eligibles and to the Authority, together with a list of any nominations transferred or substituted if permitted by the conditions. The list of eligibles shall also include a resume indicating the current financial status of the stake and futurity, or of each individual division if there is more than one (1) division, by listing the number of horses remaining eligible, the amount of money that has been paid in, and the amount to be added. The purse shall constitute this amount plus starting fees, if any;

(e) Set the nominating date and the dates for sustaining payments (except the starting fee) for the 15th day of the month. There shall be no payments on yearlings except a nomination payment which shall be due not later than August 15. Before receiving any sustaining payments during the year the race is to be contested, the date and place of the race shall be stated. A stake or futurity sustaining fee shall not be due prior to February 15 of any year. There shall be no conditions that require payments in stakes or futurities after August 15 and before February 15 of the following year. The date for closing of the nominations of yearlings to stakes shall be May 15 and the date for closing of the nominations to futurities shall be July 15. There shall be a maximum of one (1) sustaining payment on two (2) year olds in stakes and futurities that do not have a two (2) year old division; and

(f) Advertise the week and place, if possible, that the stake or futurity will be raced before taking nominations. If either the week or place, or both, cannot be announced before taking nominations, that information shall be furnished as soon as the stake or futurity is sold or awarded.

(8) Forms. Each nomination, entry form, list of nominations, and list of eligibles shall be on standard, eight and one-half (8 1/2) by eleven (11) paper. Owners shall be listed alphabetically.

(9) Estimated purse. An estimated purse shall not be advertised or published in excess of the actual purse paid or distributed during the previous year, unless increased by guaranteed added money. A stake or futurity shall not be raced for less than seventy-five (75) percent of the average estimated purse.

Section 2. (1) If an event is not raced due to circumstances beyond the control of a nontrack operating sponsor, the sponsor shall not be required to contribute a sum as added money, but instead shall only refund such nominating, sustaining, and starting fees as it has collected toward the canceled event.

(2) A stake or futurity shall not be approved for extended pari-mutuel meetings if the added money is not at least thirty (30) percent of the purse. For all other meetings at least ten (10) percent of the purse shall be added.

(3) If a stake or futurity is split into more than two (2) divisions, the conditions of the race shall determine the divisions of the purse.

Section 3. Failure to Make Payment. Failure to make any payment required by the conditions shall constitute an automatic withdrawal from the event.

Section 4. Refund of Nomination Fee. If a mare nominated to a futurity fails to have a live foal, the nominator shall receive a return on his or her payment if notification is given by December 1 of the year the mare failed to foal. If conditions permit, the nominator may substitute.

Section 5. A sponsor shall not pay monetary awards to nominators or breeders from stake or futurity funds.

Section 6. Deductions Prohibited. A deduction, voluntary or involuntary, shall not be made from any purse, stake, or futurity unless the conditions specifically so provide. If deductions are permit-

ted, reasonable deductions may be made for clerical, printing, postage, and surety bond expenses specifically related to the purse, stake, or futurity.

Section 7. Unless otherwise specified in the conditions of a stake or futurity, the money division shall be:

(1) Five (5) or more starters: fifty (50) percent to the winning horse, twenty-five (25) percent to the horse that finishes second, twelve (12) percent to the horse that finishes third, eight (8) percent to the horse that finishes fourth, and five (5) percent to the horse that finished fifth;

(2) Four (4) starters only: fifty (50) percent to the winning horse, twenty-five (25) percent to the horse that finishes second, fifteen (15) percent to the horse that finish third, and ten (10) percent to the horse that finishes fourth;

(3) Three (3) starters only: fifty-five (55) percent to the winning horse, thirty (30) percent to the horse that finishes second, and fifteen (15) percent to the horse that finishes third; and

(4) Two (2) starters only: sixty-five (65) percent to the winning horse and thirty-five (35) percent to the horse that finishes second.

Section 8. Penalties. A sponsor or any other person who violates any provision of this administrative regulation shall have committed a Category 1 violation and shall be subject to the penalties set forth in 811 KAR 1:095, Section 4(1). In addition, the Authority may refuse to renew in the future any stake or futurity submitted by any licensed or unlicensed sponsor or presenter. (KTC 1-8 (Rule 11); 1 Ky.R. 1105; eff. 6-11-75; Am. 10 Ky.R. 918; eff. 2-1-84; 33 Ky.R. 931; 2958; eff. 4-6-07.)